

MOTOR HOME/ANTIQUE VEHICLE INSURANCE

I. **See Personal Automobile pages in the Product Requirements Locator (PRL), found on the NAIC website (www.naic.org)**

II. Forms

A. ***Rental/loaned vehicle coverage exception***

(Minn. Stat. § 65B.49, subd. 5a, clause (b); §168.10, subd. 1a -1d; §168.011) Policies covering the following types of vehicles do NOT need to include coverage for damage to rental vehicles: antique vehicles and recreational equipment as defined in Minn. Stat. §168.011, including motor homes.

B. ***Limited use restrictions/exclusions (antique vehicles only)***

(Minn. Stat. § 65B.41-65B.71; Dept. Procedure) Policies may include a definition of “use” within the definition of antique vehicles; however, policies may NOT restrict or exclude any coverages mandated by statute¹ if a vehicle is used in the same manner as a non-antique vehicle (e.g. driving to work, shopping, etc.)².

Such restrictions/exclusions of use are permitted for physical damage coverages.

III. Rules exception

A. ***Minimum earned premium (Seasonal/limited use)***

(Minn. Stat. §72A.20, subd. 17, clause (b)-(c); Dept. Procedure) Minimum *earned* premium rules are permitted IF AND ONLY IF the rule applies *solely* to vehicles whose rates are reduced to reflect either seasonal or limited use (e.g. motor homes and antique vehicles) AND the cancellation is requested by the policyholder. The Department believes the above-noted statute, which stipulates that all cancellation refunds must be made pro rata if made for a period of greater than one month, to applies to minimum *earned* premium rules.

This should be distinguished from minimum *written* premium rules, which charge a risk a minimum amount of premium even if the actual premium generated is less than that minimum.

¹ i.e. PIP, residual liability, and UM/UIM coverages.

² Use limitations/exclusions that are normally found in a personal auto policy (e.g. organized speed contests, use as a livery conveyance, etc.) are permitted.

B. *Suspension of coverages (except comprehensive)*

(Minn. Stat. §65B.48, subd. 1; §70A.04, subd. 4) A company must include a rule permitting insureds to suspend their automobile coverages. Such a rule is necessary in the event an insured wishes to suspend his or her coverage, other than comprehensive coverage, if the vehicles is in storage or will not be operated on public roads.

EXCEPTION: If vehicles are already rated to reflect seasonal or limited use, a company is NOT required to provide a rule for suspending coverage. This often arises in programs covering antique automobiles and motor homes. If in doubt about the basis used for calculating premiums, analysts should inquire of a company whether its rates have been seasonally adjusted or reduced to reflect limited use.